



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

March 1, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**TEN-YEAR LEASE, AUDITOR-CONTROLLER
3470 WILSHIRE BOULEVARD, LOS ANGELES
(SECOND DISTRICT) (3-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached ten-year Lease with Central Plaza LLC, (Landlord) for the occupancy of 11,400 rentable square feet of office space for the Auditor-Controller Department (Auditor) at 3470 Wilshire Boulevard, Los Angeles, at a maximum initial annual rental cost of \$303,454, which will be a 100 percent net County cost.
2. Authorize the Lessor and/or the Director of the Internal Services Department (ISD) and the Auditor at the direction of the Chief Administrative Office (CAO) to acquire furniture at a cost not to exceed \$200,000 and telephone, data, and low voltage systems for the aforementioned facility at a cost not to exceed \$250,000. At the discretion of the CAO, all or part of the furniture, telephone, data and low voltage systems may be paid in a lump sum by the Auditor in addition to other Tenant Improvement (TI) allowances provided under the Lease.
3. Find that the Lease is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
4. Approve the project and authorize the CAO, Auditor and ISD to implement the project. The Lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the tenant improvements by the Landlord and acceptance thereof by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to enter into a Lease which allows Auditor to implement the Shared Services Initiative. The Guiding Coalition of the Countywide Strategic Plan has created the Shared Services Initiative to help achieve organizational effectiveness goals. The Shared Services Initiative involves the consolidation and redesign of business processes into a service center.

The objective of the Shared Services Initiative is to eliminate administrative redundancies, achieve organizational effectiveness and reduce costs through economies of scale by merging the fiscal and procurement operations of various County Departments. Phase 1 of the Shared Services Initiative consists of merging approximately 50 full time employees (FTEs) from 18 County departments, as outlined in Attachment C.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These actions fulfill the County's Strategic Plan Goals of Organizational Effectiveness and Fiscal Responsibility. In this case, the proposed Lease helps improve organizational effectiveness by allowing alternate fiscal and procurement support services and updated performance standards to be implemented for various County departments. Moreover, the proposed Lease will strengthen the County's fiscal capacity by redesigning administrative processes and consolidating various departmental functions, which will produce cost reductions through economies of scale, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum initial annual rental cost is estimated to be \$303,454, if all of the reimbursable tenant improvement allowance is used. The rent will be subject to an annual adjustment based on the Consumer Price Index not to exceed four percent.

3470 Wilshire Blvd.	Proposed Lease
Area (Square Feet)	11,400
Term (Years)	10Years; commencing upon Board approval and completion of tenant improvements.
Annual Rent	\$212,328 (\$18.63/sq.ft.)
Base Tenant Improvement (TI) Allowance	\$228,000 (\$20.00/sq.ft.)
Additional Tenant Improvement (TI) Allowance	\$684,000 (\$60.00/sq.ft.)
Maximum Annual Rent*	\$303,454 (\$26.62/sq.ft.)
Cancellation	After the 60 th month upon 9 months written notice and full payment of the reimbursable TI allowance.
Parking (included in Rent)	45 spaces

*\$684,000 represents the maximum amount of additional TI funds available for this project. This amount equates to an additional \$91,126 per year or \$8.00 per square foot per year in rent if the entire amount is expended and amortized over 10 years at the proposed rate of 6 percent.

Sufficient funding for the proposed Lease cost is included in the 2004-05 Rent Expense Budget and will be billed back to the Auditor. The Auditor has sufficient funds in its 2004-05 operating budget to cover the projected Lease costs, and will include funding for the Lease costs in its 2005-06 operating budget. After the 2005-06 fiscal year, the Auditor will devise a formula to share the Lease costs with the participating departments. The costs associated with the proposed Lease are a 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed ten-year Lease agreement comprises 11,400 rentable square feet of office space, along with 45 parking spaces. Although the proposed Lease area exceeds the 9,976 square feet of space allocated for the program, the lower cost of the Lease and lack of viable alternatives make this location the most appropriate to meet the needs of the program. The proposed Lease contains the following provisions:

- The term commences upon completion of the tenant improvements by the landlord, and acceptance thereof by the County. Ten years thereafter, the term expires.
- Full-service whereby the Landlord is responsible for all operating costs associated with the County's tenancy.
- A cancellation provision allowing the County to cancel anytime after the 5th year upon 9 months' advance notice to the Landlord.
- A base Tenant Improvement (TI) allowance in the amount \$228,000 is included in the rent.
- A reimbursable TI allowance, in the amount of \$684,000, payable via lump sum or monthly amortization payments over the remaining term of the Lease after substantial completion of the TI work, at an amortization rate of six percent.
- On-site parking for 45 vehicles is included in the rent. Bus and train routes operate adjacent to the proposed facility giving staff convenient public transportation options.
- An option to renew this Lease for an additional five-year period, subject to Board approval, by giving Landlord 9 months' prior written notice. The existing terms of the Lease will prevail in the event the County exercises the renewal options.

- A Right of First Offer to Lease Additional Premises, subject to Board approval, to coincide with Phase 2 of the Shared Services Initiative. This option will be available after the initial twelfth month until the expiration of the initial twenty-fourth month. In the event the County elects to exercise this option, the additional premises will be Leased at the same rental rate, terms and conditions as the original premises including coterminous expiration dates.

CAO Real Estate staff surveyed the Civic Center and Wilshire Corridor areas to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed areas that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search areas for these programs. There are no County-owned or leased facilities available for this program.

Based upon a survey of similar properties within the specified area, staff has determined that base rental range including parking for a full-service Lease is between \$16.20 and \$30.00 per square foot per year. Thus, the proposed base annual rent of \$18.24 per square foot is at the low-end of the rental range.

The Department of Public Works has inspected the subject facility and found it suitable for the County's occupancy under a Lease.

The proposed Lease was submitted for review to your Board appointed Real Estate Management Commission on January 19, 2005. After careful review, the Commissioners approved the proposed Lease.

There are no funds available to support an on-site child care facility.

ENVIRONMENTAL DOCUMENTATION

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)


It is the finding of the CAO that the proposed Lease is in the best interest of the County and will continue to provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, the Auditor concurs in this Lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed Lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,


DAVID E. JANSSEN
Chief Administrative Officer


J. TYLER MCCAULEY
Auditor-Controller

DEJ:CWW
CEM:KW:hd

Attachments (3)

c: County Counsel
Auditor Controller

AUDITOR CONTROLLER
3470 WILSHIRE BOULEVARD, LOS ANGELES
 Asset Management Principles Compliance Form¹

1.	Occupancy	Yes	No	N/A
A	Does lease consolidate administrative functions? ²	X		
B	Does lease co-locate with other functions to better serve clients? ²	X		
C	Does this lease centralize business support functions? ²	X		
D	Does this lease meet the guideline of 200 sf of space per person? ² Lease represents 228 sf per person. Excess due to preexisting layout of office space and future growth.		X	
2.	Capital			
A	Should program be in leased space to maximize State/Federal funding?		X	
B	If not, is this a long term County program?	X		
C	Is it a net County cost (NCC) program? 100.00%	X		
D	If yes to 2 B or C; capital lease or operating lease with option to purchase?		X	
E	If no, are there any suitable County-owned facilities available?		X	
F	If yes, why is lease being recommended over occupancy in County-owned ?			X
G	Is Building Description Report attached as Attachment B?	X		
H	Was build-to-suit or capital project considered? Build-to-suit and capital projects are cost-prohibitive for projects of this size.		X	
3.	Portfolio Management			
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal, was co-location with other County departments considered ?			X
D	Why was this program not co-located?			
	1. The program clientele requires a "stand alone" facility.			
	2. No suitable County occupied properties in project area.			
	3. No County-owned facilities available for the project.			
	4. Could not get City clearance or approval.			
	5. X The Program is being co-located.			
E	Is lease a full service lease?	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?	Please bold any written responses		

**SPACE SEARCH, CIVIC CENTER AND WILSHIRE CORRIDOR
AUDITOR CONTROLLER**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
A408	DCFS-Borax Building	3075 Wilshire Blvd, Los Angeles 90010	132488	105568	LEASED	NONE
A424	DPSS-Equitable Building	3435 Wilshire Blvd, Los Angeles 90010	65872	62578	LEASED	NONE
B695	DHS-Immunization	695 South Vermont , Los Angeles 90010	14274	12847	LEASED	NONE
A532	DHS-Metroplex Building	3530 Wilshire Blvd, Los Angeles 90010	109137	98224	LEASED	NONE
A413	DHR-Wilshire Square Building	3333 Wilshire Blvd, Los Angeles 90010	76304	65438	LEASED	NONE
A336	SHERIFF-Wilshire Centre Building	3055 Wilshire Blvd, Los Angeles 90010	7755	7115	LEASED	NONE
A429	CAO-Hill Street Building	222 South Hill St, Los Angeles 90012	29013	26082	LEASED	NONE
5979	Central Arraignment Courthouse	429 Baughet St, Los Angeles 90012	83692	30638	FINANCED	NONE
3154	Foltz Criminal Justice Center	210 West Temple St, Los Angeles 90012	1036283	399535	FINANCED	NONE
5546	DHS-Central Public Health Center	241 North Figueroa, Los Angeles 90012	60924	34748	OWNED	NONE
A159	DA-Figueroa Plaza	201 North Figueroa, Los Angeles 90012	83164	79006	LEASED	NONE
Y356	El Pueblo Property	502 New High, Los Angeles 90012	16517	14524	OWNED	14524
0144	El Pueblo Property	510 New High, Los Angeles 90012	35683	22753	Owned	22753
0142	El Pueblo Property	507 North Main St, Los Angeles 90012	15618	11154	OWNED	11154
0143	El Pueblo Property	501 North Main St, Los Angeles 90012	34350	29710	OWNED	29710
0495	El Pueblo Property	300 Cesar Chavez, Los Angeles 90012	2800	2380	OWNED	2380
0101	Hall of Justice	211 West Temple St, Los Angeles 90012	570811	306487	OWNED	Not Habitable
0156	Hall of Records	320 West Temple St, Los Angeles 90012	438095	258677	OWNED	NONE
5456	DHS-Administration Building	313 North Figueroa, Los Angeles	221359	134851	OWNED	NONE
0181	Kenneth Hahn Hall of Administration	500 West Temple St, Los Angeles 90012	958090	591457	FINANCED	NONE
A496	PD- LA Law Center Building	207 South Broadway, Los Angeles 90012	7100	6750	LEASED	NONE
0155	Stanley Mosk Courthouse	111 North Hill St, Los Angeles 90012	794459	441761	OWNED	NONE
3155	The Music Center	301 North Grand Ave, Los Angeles 90012	27582	17978	OWNED	NONE
A388	APD-Wilshire Bixel Building	1055 Wilshire Blvd, Los Angeles 90017	6500	6175	LEASED	NONE
D015	DPSS-Catholic Charities Computer	1530 James M Wood, Los Angeles 90017	200	200	PERMIT	NONE

**AUDITOR-CONTROLLER
3470 WILSHIRE BOULEVARD, LOS ANGELES
SHARED SERVICES INITIATIVE PARTICIPATING DEPARTMENTS**

1. AGRICULTURAL COMMISSIONER / WEIGHTS AND MEASURES
2. ANIMAL CONTROL
3. BEACHES AND HARBOR
4. CORONER
5. MUSEUM OF NATURAL HISTORY
6. PUBLIC DEFENDER
7. REGIONAL PLANNING
8. ALTERNATE PUBLIC DEFENDER
9. AUDITOR CONTROLLER
10. CHIEF ADMINISTRATIVE OFFICE
11. CHIEF INFORMATION OFFICE
12. CONSUMER AFFAIRS
13. COUNTY COUNSEL
14. HUMAN RESOURCES
15. MILITARY AND VETERAN AFFAIRS
16. MUSEUM OF ART
17. OFFICE OF AFFIRMATIVE ACTION AND COMPLIANCE
18. OMBUDSMAN

**DEPARTMENT:
LESSOR:**

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CHIEF ADMINISTRATIVE OFFICE
LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT, made and entered into in duplicate original this ____ day of _____, 2005, by and between CENTRAL PLAZA, LLC hereinafter referred to as the Lessor, and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as the Lessee,

WITNESSETH:

1. DESCRIPTION OF PREMISES:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 3470 Wilshire Boulevard, Los Angeles in the County of Los Angeles, State of California, more particularly and legally described as follows:

A. Original Premises

A portion of the 11th Floor of the subject building, which is currently assessed by the County Tax Collector as Assessor Parcel Number 5094-002-019. The Premises shall consist of approximately 11,400 rentable square feet and 45 parking spaces. Lessor represents that 11,400 rentable square feet is the maximum amount of square footage available, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above. Lessee has completed field-measurements and has verified the exact square footage of the lease premises. All measurements were taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International. Should this measurement be less than the square footage stated above, Lessee shall have the exclusive right to adjust said square footage and reduce the rent in Paragraph 3 accomplished by the mutual execution of a Memorandum of Understanding between the Lessor and the Lessee. Lessor acknowledges that he has marketed the space at the above indicated amount and in the event of subsequent physical measurements, Lessor agrees there will be no adjustment made to either the square footage or the rent in the event the measured square footage exceeds the amount represented by the Lessor.

B. Right of First Offer to Lease Additional Premises

In the event, Lessor intends to offer leasable space within the subject building (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, after the initial twelve (12) months of the term, Lessor shall first give written notice to Lessee of the Lessor's intent to lease the Additional Premises ("Lessor's Lease Notice"). Lessor's Lease Notice shall constitute an offer to lease the Additional Premises to Lessee at the rental rate prevailing under this Lease and upon the terms and conditions contained in Lessor's Lease Notice which shall include tenant improvement allowances that are similar to the tenant improvement allowances stipulated in Paragraph 25 herein (\$20 and \$80 per rentable square feet) as well as the parking space ratio of four (4) parking spaces for each 1,000 rentable square feet of space. Lessee shall have ten (10) business days after receipt of Lessor's Lease Notice to accept such offer. Lessee, by Chief Administrative Office letter, shall notify Lessor in writing of Lessee's acceptance of said offer.

Within thirty (30) days upon accepting the Offer to Lease Additional Premises, Lessee shall provide Lessor with a Space Plan and the Additional Premises shall be constructed pursuant to the terms stipulated in Paragraph 25 (Tenant Improvements) and Exhibit H (Tenant Improvement Work Letter) herein. Commencement of occupancy, term and rent for the Additional Premises shall also be based on the terms stipulated in Paragraph 2 and 25 and Exhibit H, herein. The term for the Additional Premises shall be coterminous with the remaining term of the Lease. Upon substantial completion of the tenant improvements for the Additional Premises, the parties shall execute a Memorandum of Commencement Date and a Memorandum of Tenant Improvement Costs.

Lessee shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease as well as the prevailing rental rate. Lessor and Lessee shall execute a Lease Amendment which specifies the new terms and supplements the Lease. The Lease Amendment shall be executed by the Board of Supervisors.

Time is of the essence with respect to the exercise by Lessee of its rights granted hereunder. In the event Lessee fails to accept Lessor's Lease Notice within the ten (10) business day period prescribed above, all rights of Lessee to lease the Additional Premises shall terminate. Lessor shall be further obligated to continuously notify Lessee of any proposed leasing of leasable space within the subject building.

After the initial twenty-four (24) months of the original term, Lessor shall thereafter have the unconditional right to lease the leasable space within the subject building to third parties or to accept offers from third parties to lease the leasable space within the subject building without further obligation to Lessee. The rights granted to Lessee under this Section 1 shall not apply to any sales or similar transfers of leasable space or the subject building.

2. TERM:

A. Original Term

The term of this Lease shall be for a period of Ten (10) years beginning upon completion of improvements by Lessor evidenced by the issuance of a Certificate of Occupancy (or a Temporary Certificate of Occupancy), or a final sign-off, if applicable) by the City of Los Angeles, pursuant to Paragraph 25 and acceptance thereof by the Lessee, but in no event later than July 1, 2005 and ending Ten (10) Years thereafter. Notwithstanding the prior commencement of the Lease term, the rent shall not be due and owing until said Lessee accepts the improvements to be performed by Lessor. Should there be any delays then the Lease commencement date may be adjusted accordingly as stipulated in the attached Work Letter incorporated herein as Exhibit "H". Acceptance and commencement of rent shall not occur any later than 7 days after receiving a notice from Lessor indicating that all tenant improvements required have been completed in compliance with the attached plans and specifications (Exhibit "A") and the space is ready for beneficial occupancy.

In the event Lessee conducts a walkthrough and it is determined by Lessee, at Lessee's sole and reasonable discretion, that the tenant improvements have not been completed, or the space is not ready for Lessee's occupancy, then, Lessee shall not be obligated to commence the rent per Paragraph 3 herein until actual beneficial occupancy. Additionally, Lessor shall be required to provide Lessee with another notice, and Lessee shall not accept the space any later than seven (7) days from the date of the second notice. The process may be repeated until the tenant improvements are completed and the space is ready for Lessee's occupancy. Lessee shall not unreasonably withhold its approval. Lessee hereby agrees to make timely inspections and to make timely notices of its approval or disapproval of said work. Lessor and Lessee shall promptly execute the "Memorandum of Commencement Date" attached hereto as Exhibit "B" following commencement of the Lease term subject to any remaining minor punch-list items. The Chief Administrative Officer, is hereby authorized to sign on behalf of Lessee

B. Options to Renew:

Lessee shall have the option to renew this Lease and any amendments to the Lease for a period of Five (5) Years under the same terms, and conditions, including cancellation right and rental rate as contained herein. Lessee, by Chief Administrative Office letter, shall notify Lessor in writing not less than nine (9) months prior to expiration of the Lease term of Lessee's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors prior to the expiration of the lease term.


INITIAL

3. **RENT:**

The Lessee hereby agrees to pay as rent for said demised Premises during the term the sum of Seventeen Thousand Three Hundred and Twenty Four Dollars (\$17,324.00) per month, i.e., \$1.26 per rentable square foot per month and \$74 per parking space per month, payable in advance by Auditor's General Warrant. Rental payments shall be subject to annual adjustment pursuant to Paragraph 25 herein, and are payable within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

4. **USE:**

Lessor agrees that the demised Premises together with all appurtenances thereto belonging or in any wise appertaining, shall be used by the Lessee as office/administrative space for the County Auditor Controller and for other governmental purposes or lawful purposes during normal working hours, after normal working hours, and on weekends and holidays as Lessee may desire.

5. **CANCELLATION:**

Lessee shall have the right to cancel this Lease anytime after the Sixtieth (60th) month of the original term and at anytime after the One Hundred Twentieth (120th) month of the original term by giving Lessor not less than Nine (9) months prior written notice by Chief Administrative Office letter. In the event, Lessee elects to exercise this cancellation option then Lessee shall reimburse Lessor for any remaining additional tenant improvement allowance funds that have not been amortized or paid in a lump sum. Said remaining tenant improvement balance shall be paid by Lessee to Lessor in a lump sum payment at least Six (6) months after giving written notice. Lessee shall also reimburse Lessor for any unamortized commissions received by the County.

6. **HOLDOVER:**

In case Lessee holds over beyond the end of the term provided with the consent express or implied of Lessor, such tenancy shall be for two (2) month periods only, subject to the terms and conditions of this Lease, but shall not be a renewal hereof, and the rent shall be at the rate prevailing under the terms of this Lease. Either party may during the holdover cancel this Lease by giving the other party not less than sixty (60) days prior written notice.

7. **DAMAGE OR DESTRUCTION:**

Lessor agrees that should the demised Premises be damaged by fire, incidents of war, earthquake, or other elements as to render them reasonably unfit for Lessee's occupancy, as determined by Lessee's sole discretion, then this Lease shall be terminated immediately upon the happening of any such event whereupon Lessee shall surrender the Premises and shall not be obligated for any further rental and Lessor shall refund any unearned rent paid in advance by Lessee calculated at a daily rate based on the regular monthly rental.

In the event of any lesser damage by any such cause that results in damage to ten percent (10%) or less of net usable area of the Premises, then Lessor shall commence the repair and restoration of the Premises within fifteen (15) days of the event which necessitated the repair and restoration. In the event of any such cause which results in damage to more than ten percent (10%) of the net usable area of the Premises, then Lessee shall have the right at its sole discretion to either surrender the Premises and not be obligated for any further rental under this Lease and Agreement, or to cause Lessor to commence the repair and restoration of the Premises within fifteen (15) days of the event that necessitated the repair and restoration.

Commencement of the repair and restoration under either of the aforementioned conditions shall require (1) securing the area to prevent injury to persons and/or vandalism to the improvements, and (2) the placement of a work order or contract for obtaining the Labor and Materials to accomplish the repair and restoration. If Lessor should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Lessee may give Lessor fifteen (15) working days prior written notice and thereafter perform or cause to be performed the restoration work and deduct the cost thereof from the installments of rent next due as a charge against the Lessor.

Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made effective on the date of such destruction. The proportionate reduction is to be based upon the proportion that the amount of rentable square feet within the leased Premises rendered unusable to Lessee bears to the whole rentable thereof. Lessee shall not be entitled to an abatement of rent pursuant to this provision when the damage to the Premises is the result of negligence or intentional acts of Lessee's employees.

8. **TENANT'S FIXTURES:**

Lessor agrees that the Lessee may remove, at its own expense, during or at the expiration or other termination of the term of this Lease, or any extension or holdover period thereof, as the case may be, all fixtures, equipment and all other personal property placed or installed in or upon the demised Premises by the Lessee, or under its authority.

9. **REPAIR, MAINTENANCE AND REPLACEMENT:**

A. **This Lease is a full service lease:**

Therefore, Lessor agrees to repair, maintain and replace as necessary at Lessor's own expense the entire interior and exterior of the Premises. Lessor's responsibility shall include, but not be limited to lamps and tubes, exposed plumbing, fire sprinklers, if applicable, windows, window coverings, fire extinguishers, floor coverings, the sewer system, the grounds, parking spaces whether surface or structured parking (including resurfacing, restriping, landscaping, sweeping and provision of adequate lighting, as applicable), and the basic structure. Basic structure is agreed to include: all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, elevators (including elevator hydraulic system, and casing for elevator ram), stairways, concealed electrical systems, telephone intrabuilding network cable (INC), and heating, ventilating and air conditioning system and fire sprinklers, if applicable. As part of Lessor's responsibilities for maintaining the Premises, Lessor shall provide for (1) furnishing and maintaining sewer services and trash removal, and (2) janitorial supplies (including restroom supplies) and janitorial services in accordance with the schedule attached to this Lease as Exhibit "C".

B. **Failure to Repair:**

In the event Lessor should fail, neglect or refuse to commence the repair, replacement or maintenance work required by Section Paragraph 9A herein within five (5) days after written notice has been served by Lessee, or fail, neglect or refuse to pursue said replacement or maintenance work with reasonable diligence to completion, the Lessee at its sole discretion may perform or cause to be performed said repair, replacement or maintenance work and deduct the reasonable cost thereof from the installments of rent next due as a charge to the Lessor, or the Lessee at its sole discretion may surrender the Premises and shall not be liable for any further rental under this Lease and Agreement.

C. **Return of Premises:**

Lessee agrees to return said Premises to Lessor in as good condition as when rented, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted.

D. **Replacement:**

In the event that items specified in Paragraph 9A wear out or fail or are damaged by earthquake, fire or the elements, and/or other public disaster or casualty, the Lessor shall replace said items at its own expense, subject to the provisions of Paragraph 7.

10. **UTILITIES:**

Lessor agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any Governmental authority, all water, sprinkler standby charges, electricity, gas, and other lighting, heating, and power and other utility rents and charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters.

Lessor shall provide HVAC services to the Premises during the normal business hours of Monday through Friday from 8:00 am to 6:00 pm and on Saturday from 8:00 am to 1:00 pm, except on New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.


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Lessee shall give Lessor a 24-hour advance notice requesting HVAC services after normal business hours. Lessor shall bill Lessee for after- hours HVAC services at the rate of \$80.00 per hour, per floor occupied by Lessee and for a minimum of Two (2) hours.

The tenant improvement allowances shall be used to install a non-building standard HVAC system for the Lessee's MCR and a separate electrical meter for this HVAC system. Lessee's monthly rental payments shall include the appropriate amount to reimburse the Lessor for said separate electrical charges.

In the event Lessor fails or refuses to pay any or all of the charges when due, Lessee may give Lessor ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the installments of rent next due as a charge against the Lessor, or the Lessee at its sole discretion may surrender the Premises and shall not be liable for any further rental under this Lease and Agreement.

11. LESSOR'S ACCESS:

Lessee agrees to permit the Lessor or Lessor's authorized agents free access to the demised Premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs.

12. DEFAULT:

A. Default by Lessee:

Lessee agrees that if default shall be made in the payment of rent in the manner herein provided or in any of the covenants or agreements herein contained on the part of the Lessee to be kept and performed which constitute a material breach of the Lease, it shall be lawful for the Lessor to declare said term ended and to terminate this Lease upon the giving of thirty (30) days written notice. In addition thereto, Lessor shall have such other rights or remedies as may be provided by law. Lessor may not terminate the Lease if (1) Lessee cures the default within the thirty (30) day period after the notice is given, or (2) the default cannot reasonably be cured within the thirty (30) days after notice is given, but Lessee reasonably commences to cure the default within the thirty (30) days period and diligently and in good faith continues to cure the default.

B. Default by Lessor:

Lessor shall not be in default in the performance of any obligation required to be performed under this Lease unless Lessor has failed to perform such obligation within thirty (30) days after the receipt of written notice of default from Lessee specifying in detail Lessor's failure to perform or within such shorter period of time as may be specified herein. Lessee may terminate this Lease upon Lessor's default of any material obligation upon giving of thirty (30) days written notice of termination. In addition thereto, Lessee shall have such other rights or remedies as may be provided by law. Lessee may not terminate the Lease if (1) Lessor performs and meets the obligation within the thirty (30) day period (or shorter specified period) after notice of default is given, or (2) the obligation cannot reasonably be performed within thirty (30) days after notice of default is given, but Lessor reasonably commences to cure the default within the thirty (30) day period (or shorter period specified herein) and diligently and in good faith continues to cure the default.

Lessee shall not exercise any of its rights under this Paragraph, other than its rights to give notice, until Lessee gives notice to any person who has requested in writing notice of Lessor's default, and has specified that person's interest in the Lease. The notice to such person shall be for the same period of time as that to which Lessor is entitled. Such person shall have the right to cure the default within the same period of time, after notice, to which Lessor would be entitled.

If Lessor or such person does not cure the default, Lessee may exercise any of its rights or remedies provided for or permitted in this Lease or pursuant to law, including the right to recover any damages proximately caused by the default. If Lessee is permitted to cure the default under the terms of this Lease, and elects to do so, then Lessee shall be entitled to reimbursement for all of its costs incurred, as well as to recovery for all damages proximately caused to it because of the default.

C. Request for Notice of Default

Lessor shall obtain prior to the Lessee's occupancy of the Premises, a Request for Notice of Default, in a recordable form, executed and acknowledged by Lessor, requesting that the County be notified of any Notice of Default filed by any of Lessor's lenders, to the address of County as specified in Section 15 of this lease.



D. Receipt of Notice

Notwithstanding anything in Paragraph 15 herein to the contrary, receipt of notice under this Paragraph shall be conclusively presumed to have occurred on the earliest of the date of personal delivery to Lessor or to Lessor's agent or employee at Lessor's place of business, or to a resident over eighteen (18) years of age at Lessor's residence.

- i. The date of delivery shown upon the United States Postal Service's return receipt for certified or registered mail.
- ii. Ten (10) days after deposit of notice to the address stipulated in Paragraph 15, sent by first class mail with the United States Postal Service, provided prior or concurrent notice has been attempted pursuant to Paragraph 15, but delivery has been refused or the notice otherwise returned without delivery.

13. ASSIGNMENT/SUBLETTING:

Lessee shall have the right to assign this lease or sub-lease the Premises so long as the intended use is consistent and compatible with the other tenancies within the building and/or surrounding buildings and upon the condition that the assignee or sub-lessee expressly assumes and agrees in writing to pay the rent and to perform each and every covenant and agreement in this lease required by Lessee to be paid or to be performed. Lessee agrees to notify Lessor of any change in tenancy.

14. ALTERATIONS:

A. Landlord Consent

Lessee shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld. Consent shall be given or denied within thirty (30) days of receipt of written request. Consent shall not be unreasonably withheld. Should there be no response within thirty (30) days the request is deemed approved. At the time Lessor gives consent to Lessee for such structural alterations, it shall also notify Lessee in writing as to whether or not Lessee shall be required to remove said structural alterations at the end of the term. Lessor shall be bound to any such notification allowing the structural alterations if Lessee takes actions in reliance thereon.

However, Lessor's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not affect the systems or structure of the Building; (4) the cost of the proposed alteration(s) is less than \$10,000; (5) the proposed alteration(s) and scope of work comply with the Lessor's/Building's reasonable rules and regulations; (6) Lessee provides Lessor with a set of approved plans for the proposed alterations, if plans/permits are required. Lessee agrees to notify Lessor of any such non-structural alterations, improvements and/or additions no less than thirty (30) days prior to any commencement of such work. Lessor shall not charge an administrative fee or other fee to review any proposed alterations and related plans.

B. End of Term

Any Lessee-constructed alterations, improvements and additions, as provided for herein, and the installation or placement of fixtures, equipment and all other personal property including any modular furniture, in the affected areas of the Premises shall be removed and restored to the original condition at the Lessor's written request, if written notification requiring removal was given in accordance with subsection (a) above. Lessor's written request shall be delivered to Lessee no later than thirty (30) days prior to the expiration of the Lease term or the anticipated/expressed vacation of the Premises by the Lessee, whichever comes first. Any Lessee constructed alterations, improvements and additions as well as the installation or placement of fixtures, equipment and all other personal property, including any modular furniture, not requested to be removed by Lessor, and not removed by Lessee shall become the property of Lessor and remain upon and be surrendered with the Premises at the expiration of the Term.


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15. **NOTICES:**

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service. Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

Central Plaza, LLC
Attn: Paul Kim
3440 Wilshire Blvd., Suite 200
Los Angeles, CA 90010

or such other place as may hereinafter be designated in writing by the Lessor except that Lessor shall at all times maintain a mailing address in California.

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, CA 90012

with a copy to:

Chief Administrative Office, Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

16. **CONDEMNATION:**

If the Premises or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation") any award for the taking of all or any part of the Premises shall be the property of the Lessor, to the extent it is compensation for the taking of the fee or as severance damages. Lessee shall be entitled to that portion of the award, if any, attributable to Lessee's trade fixtures and improvements and for the bonus value of Lessee's leasehold. "Trade fixtures" are agreed to include any tenant improvements installed at the Lessee's request to the extent that Lessee has reimbursed Lessor for such tenant improvements in a lump sum or through amortization included in the rent payments. This Lease shall remain in full force and effect as to the portion of the Premises remaining except that the rent shall be reduced in the proportion that the area taken bears to the total leased Premises.

In the event of a partial taking of the structure, Lessor shall use the proceeds of the condemnation received by Lessor to restore the Premises to a complete architectural unit of a quality, appearance and functional utility at least consistent with the structure as it existed prior to the taking. Rent shall abate for such time and for such area as reconstruction is required and areas are not secure, weather-tight, and usable as office space. Failure of Lessor to commence such restoration within thirty (30) days of the actual physical taking of a portion of the structure shall be grounds for Lessee to cancel this Lease by giving Lessor fifteen (15) days advance written notice of such cancellation, or Lessee, in its discretion, may elect to undertake directly the restoration and deduct the costs thereof from the installments of rent next payable to the Lessor. Commencement under the aforementioned condition shall require (1) securing the area to prevent injury to persons and/or vandalism to the improvements, and (2) the placement of a work order or contract for obtaining the Labor and Materials to accomplish the restoration.

Within fifteen (15) days of receipt of the offer to acquire the property pursuant to Section 7267.2 of the Government Code or, within fifteen (15) days of the date lessor receives notice of the RESOLUTION of NECESSITY to condemn property, whichever is earlier, Lessor shall notify Lessee in writing (1) of condemnation proceeding and (2) physical extent of the Premises that will be affected by the proposed taking.

If more than ten percent (10%) of the floor area of the improvements on the Premises, or more than twenty-five percent (25%) of the land area of the Premises, which is not occupied by any improvements, is taken by condemnation, Lessee may cancel this Lease. The parties agree that Lessor and Lessee shall each receive independently their relocation assistance.



In the event of a partial taking of the parking area, Lessor shall use his best effort to provide Lessee with Forty (40) off-street in-and-out parking spaces within five hundred (500) feet of the demised Premises. Lessee may at its sole discretion negotiate with Lessor for an equitable reduction in the monthly rent based upon the Fair Market Value of such parking or the loss of such parking if not replaced.

Notwithstanding the above, failure of the Lessor to provide a minimum of Forty (40) off-street in-and-out spaces at all times shall entitle Lessee to cancel this Lease by giving Lessor fifteen (15) days' advance written notice of such cancellation.

17. **INDEMNIFICATION AND INSURANCE REQUIREMENTS:**

During the term of this Lease, the following indemnification and insurance requirements shall be in effect.

A. Indemnification:

Lessor shall indemnify, defend and hold harmless Lessee, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Lessor's ownership, repair, maintenance and other acts and/or omissions arising from and/or relating to the Premises.

Lessee shall indemnify, defend and hold harmless Lessor, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Lessee's use of the Premises.

B. Waiver:

Both the Lessee and Lessor each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

C. General Insurance - Lessor Requirements:

Without limiting Lessor's indemnification of Lessee and during the term of this Lease, Lessor shall provide and maintain the programs of insurance set forth in Paragraph 17. D., Insurance Coverage Types and Limits - Lessor Requirements. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by Lessee, and such coverage shall be provided and maintained at Lessor's own expense.

1. Insurance Coverage Types and Limits - Lessor Requirements:

General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

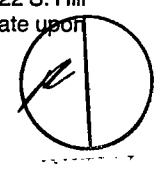
General Aggregate:	\$ 5 million
Products/Complete Operations Aggregate:	\$ 2 million
Personal and Advertising Injury:	\$ 2 million
Each Occurrence:	\$ 2 million

2. Commercial Property insurance. Such insurance shall:

- a. Cover damage to Lessor's property, including improvements and betterments, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), and include Ordinance or Law coverage.
- b. Be written for the full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to the Lessor and the Lessee as their interests may appear and be utilized for repair and restoration of the Premises. Failure by Lessor to use such insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease pursuant to Paragraph 12B, Default by Lessor.
- c. Include a Waiver of Subrogation in favor of Lessee.

3. Evidence of Insurance.

Certificate(s) or other evidence of coverage satisfactory to Lessee shall be delivered to the Chief Administrative Office, Real Estate Division, 222 S. Hill Street, 4th floor, Los Angeles, CA 90012 Attn: Director of Real Estate upon execution of this Lease. Such certificates or other evidence shall:



- a. Specifically identify this Lease.
- b. Clearly evidence all coverages required in this Lease.
- c. Contain the express condition that Lessee is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- d. Include copies of the additional insured endorsement (ISO form CG 20 26) to the commercial general liability policy, adding the Lessee as an additional insured.
- e. Identify any deductibles or self-insured retentions exceeding \$25,000.

D. Failure to Maintain Coverage:

1. Review of Insurance Requirements:

The types of insurance and limits required under this Lease shall be reviewed annually by the Lessor or its representative. Coverage types and limits shall reflect the prevailing practice in the Los Angeles metropolitan area for insuring similar property and casualty risks, and be subject to Lessee's approval. Insurance is to be provided by an insurance company acceptable to Lessee with an A.M. Best rating of not less than A:VII, unless otherwise approved by Lessee.

Failure by Lessor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to Lessee shall constitute a material breach of the Lease pursuant to Paragraph 12. B., Default by Lessor. Alternatively, at its sole option, Lessee may purchase such required insurance coverage, and without further notice to Lessor, deduct any premium costs advanced by Lessee for such insurance from any rental payments next due to Lessor.

E. General Insurance - Lessee Requirements:

During the term of this Lease, Lessee shall maintain a program of insurance coverage as described below. Lessee, at its sole option, shall use commercial insurance and/or self-insurance coverage or any combination thereof to satisfy these requirements. Certificate(s) evidencing coverage will be provided to Lessor after execution of this Lease at Lessor's request.

1. Insurance Coverage Types and Limits - Lessee Requirements:

General Liability coverage (equivalent to ISO policy form CG 00 01) with limits of not less than the following:

General Aggregate:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 2 million
Personal and Advertising Injury:	\$ 2 million
Each Occurrence:	\$ 2 million

Lessor shall be an Additional Insured (or its equivalent) with respect only to liability arising from Lessee's sole negligence in its use of the leased Premises.

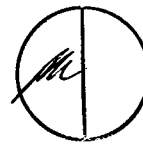
Workers Compensation and Employers' Liability Coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

18. TAXES:

Lessor shall pay promptly all real property taxes, assessments and special assessments which may be levied or assessed against the demised Premises during the term of this lease or any renewal or holdover period thereof.

In the event Lessor fails or refuses to pay any or all of the taxes or assessments when due, Lessee may give Lessor thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the installments of rent.



19. BINDING ON SUCCESSORS:

Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Lessor, and wherever the context permits or requires, the successors in interest to the Lessee.

20. PARKING SPACES:

Lessor shall provide for the non-exclusive use by Lessee during the term of this Lease and Agreement or any renewal or holdover period as the case may be, Forty-five (45) off-street in-and-out parking spaces located within the on-site garage. No tandem spaces will be included and all spaces will be "in and out" as long as that design is consistent with County policy.

Lessor shall use his best effort to provide Lessee with Forty-five (45) non-exclusive spaces at all times. If Lessor provides less than Forty-five (45) spaces Lessee may at its sole discretion negotiate with Lessor for an equitable reduction in the monthly rent based upon the Fair Market Value of such parking or the loss of such parking if not replaced.

Notwithstanding the above, failure of the Lessor to provide a minimum of Forty-five (45) spaces at all times shall entitle Lessee to cancel this Lease and Agreement by giving Lessor fifteen (15) days advance written notice of such cancellation.

21. HAZARDOUS MATERIALS:

A. Definition:

For purposes of this Agreement, the term "hazardous substances" shall be deemed to include hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, and crude oil or byproducts of crude oil other than crude oil which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

B. Warranties and Representations:

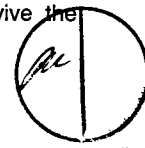
1. Lessor hereby warrants and represents, based upon appropriate and reasonable inspection of the Premises, that during its ownership of the Premises; hazardous substances have not been released on the Premises; that it has no knowledge of any release of hazardous substances on the Premises occurring before its ownership; that it has no knowledge or reason to believe that there are hazardous substances on the Premises; that Lessor shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of hazardous substances; and that Lessor shall require all other tenants, if any, of the subject property to comply with the aforementioned rules and regulation.
2. Lessee hereby warrants and represents that it shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of hazardous substances on the Premises.

C. Notice:

Lessor and Lessee agree to immediately notify each other when either party learns that hazardous substances have been released on the Premises or, if a multi-tenant property, on the subject property.

D. Indemnity:

1. Lessor agrees to indemnify, defend and save Lessee, its agents, officers and employees from or against all liability, expenses (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of hazardous substances on the Premises which has not been caused by Lessee.
2. Lessee agrees to indemnify, defend and save harmless Lessor from and against all liability, expenses (including defense costs, legal fees and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of hazardous substances on the Premises caused by Lessee.
3. The indemnity provided each party by this provision shall survive the termination of this Lease.



E. Default:

The presence or release of hazardous substances on the Premises and/or subject property, which is not caused by Lessee and which threatens the health and safety of Lessee's agents, officers, employees or invitees, as determined by Lessee's sole discretion, shall entitle Lessee to immediately terminate this Lease. In the event of such termination, Lessee shall not be obligated for any further rental and Lessor shall refund any unearned rent paid in advance by Lessee calculated at a daily rate based on the regular monthly rental.

F. Operating Costs:

Costs incurred by Lessor as a result of the presence or release of hazardous substances on the Premises and/or subject property which is not caused by Lessee are extraordinary costs not considered normal operating expenses and shall not be passed through to Lessee as part of its obligation, if any, to pay operating expenses.

G. Asbestos Notification:

Lessor agrees to notify Lessee at least annually of Lessor's knowledge of the presence of asbestos containing materials within the building of which the demised Premises is part. Such notification shall comply with Health and Safety Code Sections 25915 et seq as amended from time to time or as required by any successor or companion statutes enacted subsequent to this Lease and Agreement.

H. Indoor Air Pollution Notification:

Lessor represents and warrants that a) there have been no complaints regarding the indoor air quality anywhere in the building or in the ventilating system; b) Lessor will deliver to Lessee copies of any such complaints received; c) to the best of Lessor's knowledge there are no indoor air pollution and/or air quality problems in the building; and d) Lessor will notify Lessee if any indoor air quality or environmental problem is discovered or reported in the building, and undertake to correct such problem at Lessor's sole cost and expense.

3. GENERAL PROVISIONS:

A. Waiver

The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained.

B. Marginal Headings

The paragraph titles in this Lease are not a part of this lease thereof and shall have no effect upon the construction or interpretation of any part hereof.

C. Time

Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

D. Recordation

This lease shall not be recorded but the parties shall execute and acknowledge before a notary public, the Memorandum of Lease attached to this Lease as Exhibit "G". The Memorandum of Lease shall be recorded with the Los Angeles County Recorder at Lessee's expense.

Lessee shall, within thirty (30) days of the lease termination, upon Lessor's request, execute and deliver to Lessor a quitclaim deed to the Premises, in recordable form, designating Lessor as Transferee. The quitclaim deed may be executed by the Chief Administrative Officer of the County of Los Angeles or his designee.

E. Quiet Possession

Upon Lessee paying the rent hereunder Lessee shall have quiet possession of the demised Premises for the entire term hereof subject to all the provisions in this Lease. If any underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, this Lease shall nevertheless remain in full force and effect and Lessee at all times shall be entitled to quiet possession and use of the Premises and shall, notwithstanding any subordination, and upon the request of such successor in interest to Lessor, attorn to and become the Lessee of the successor in interest to Lessor.



F. Prior Agreements

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

G. Force Majeure

In the event that either party is delayed or hindered from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations, riots, insurrection, war or other reasons of a like nature beyond the control of such party, then performance of such acts shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

H. Severability

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

I. Cumulative Remedies

No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

J. Choice of Law

This Lease shall be governed by the laws of the State of California, exclusive of conflict of law provisions.

K. Warranties or Guarantees

In the event that any of the items required to be maintained and repaired by the Lessor under the provisions of Paragraph 9A herein are protected by warranties or guarantees the Lessee shall be entitled to the full benefit of such protection as if it were the original purchaser thereof.

L. Impairment of Title

Lessor hereby covenants to notify Lessee in writing within thirty (30) days of each and every occurrence which may impair Lessor's title to the demised Premises. Such occurrences include, but are not limited to, default on a trust deed, transfer of any interest in any trust deed, notification of any lien recordation, notification of any foreclosure, and notification of default in the master lease. Lessor further agrees to notify Lessee, in writing, within ten (10) days of receipt of any written notice regarding redevelopment, zoning, or conditional use permits which affect the property, the subject of this Lease or real property adjacent thereto.

M. Construction

Any and all construction pertaining to this Lease and Agreement by Lessor or his designated contractors or subcontractors shall comply with all applicable City, County, State and Federal regulations, codes and ordinances, including but not limited to all provisions of the Labor Code of the State of California. Under the provisions of said Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements.

Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors, which are applicable to the work contemplated are filed with the Clerk of the Board of Supervisors and must be posted at the subject site.

N. Interpretation

The language of this Lease shall be construed according to its fair meaning and not strictly for or against Lessor or Lessee, pursuant to the laws of the State of California.



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O. Community Business Enterprise

Lessor is encouraged to use Community Business Enterprises (CBE) in all contracts when possible as sources for supplies, equipment, construction and services. This shall apply during any applicable tenant improvement construction, modular furniture installation and services to be provided during the lease term.

Lessor shall submit evidence of CBE participation by providing completed copies of the Community Business Enterprise Firm Information, form attached hereto as Exhibit "E", at the time of signing this Lease and Agreement and thereafter on an annual basis on or before December 30th of each year of the term of this Agreement.

P. Lobbyists

Lessor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Lessor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Lessor or any County lobbyist or County lobbying firm retained by Lessor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Lease and Agreement.

23. WARRANTY OF AUTHORITY:

Each of the undersigned signatories for the Lessor thereby personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Lease upon the terms and conditions stated herein and each agrees to indemnify and hold harmless the Lessee from all damages, costs, and expenses, which result from a breach of this material representation.

24. ESTOPPEL CERTIFICATE:

Either party shall at any time upon not less than thirty(30) days' prior written notice from the other party execute, acknowledge and deliver to the requesting party a statement in writing (1) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (2) acknowledging that there are not to the declarant's knowledge, any uncured defaults on the part of either party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the building complex or any other interested party. Failure to deliver such statement within such time shall be conclusive evidence (a) that this Agreement is in full force and effect without modification except as may be represented by the requesting party in the written request for the certificate, (b) that there are no uncured defaults in either party's performance, and (c) that not more than one month's rent has been paid in advance

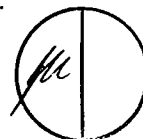
25. TENANT IMPROVEMENTS:

A. Tenant Improvement Allowance:

Lessor within ten (10) days after receipt of a duly executed copy of this Lease document and County-approved preliminary plans, will, at its own expense, cause a licensed California architect to prepare final working drawings and specifications for the proposed interior tenant improvements which are to be provided by Lessor up to a maximum cost of \$228,000 (\$20 per square foot) as estimated by Lessor. Should said tenant improvements cost less, then Lessor shall pass on such savings to Lessee in the form of a rent reduction over the term of the Lease at the rate of _____ and _____/100 Dollars (\$_____) per month for each One Thousand Dollars (\$1,000.00) of savings. Lessor agrees to complete the tenant improvements in accordance with the Tenant Improvement Work Letter incorporated herein and attached as Exhibit "H".

B. Additional Tenant Improvement Allowance:

In the event that the tenant improvement cost exceeds \$228,000 (\$20 per square foot), Lessee may authorize Lessor after review of estimates and written approval of the Chief Administrative Officer to pay the overage up to a maximum total of \$912,000 (\$80 per square foot), including the base allowance. Lessee agrees to reimburse Lessor for tenant improvement cost above \$20.00 per square foot, and will amortize said cost at the rate of 6% per annum over the lease term.



The Lessee may at anytime during the Lease term pay Lessor in a lump sum for all or any portion of the tenant improvement cost and reduce the rental rate per Paragraph 3 accordingly. Lessor will notify Lessee of the tenant improvement final cost, and the amount payable monthly by Lessee in addition to the rent.

For purposes of ascertaining the actual cost of said tenant improvements, Lessor shall provide to Lessee, upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, a detailed breakdown of the total costs of constructing the tenant improvements and execute a summarized breakdown of the total costs of the tenant improvements in the form of the attached Exhibit "D" with the right to audit these costs for a period of Twenty-four months from the date of completion and acceptance by Lessee of the tenant improvements. In the event Lessee requests a rent reduction due to its audit of these costs, Lessee shall provide Lessor with a copy of the audit summary as part of its request.

C. Tenant Improvement Process:

The working drawings are to be prepared in accordance with preliminary plans and specifications No. _____ dated _____, 2005 and No. _____ dated _____. Said Plans and Specifications are also on file with the Chief Administrative Office and identified as Exhibit "A" and incorporated herein by reference thereto and Lessor has a duplicate copy.

Lessor shall provide any final working drawings required from said preliminary plans with Lessee having the right to review and approve said final working drawings. All work, construction and materials shall be in final working drawings and specifications. All circuit breakers, fire sprinklers, and plumbing shut off valves shall be labeled as to areas controlled both on the drawings and on the breaker panels and valves. Upon completion Lessor shall furnish the Chief Administrative Office with one (1) complete set of reproducible as-built drawings of the tenant improvements plus a copy of the as-built plans in an Auto CADD DFX file, together with the existing plans, in possession of Lessor, showing the locations of any underground utility lines and their depths.

The Premises shall meet all applicable City, County State and Federal building codes, regulations and ordinances required for beneficial occupancy. Any work, including construction, that Lessor must undertake to obtain the necessary jurisdictional approvals for occupancy shall be at Lessor's sole cost and expense and shall not be considered as part of the tenant improvement allowance. Any work to meet applicable code requirements necessitated by Lessee's special requirements shall be included as part of the tenant improvement allowance.

The Lessor shall submit three bids for the construction of the tenant improvements to the County for its review prior to award of the contract. The bids shall include an itemized list of all materials and labor and shall include all additional costs including A/E fees, permits, reasonable contractor's profit and overhead, and project management fees.

The tenant improvement cost shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Lessor.

D. Modular Furniture:

As part of the additional tenant improvement allowance, Lessor shall provide, at its own expense, an allowance payable directly to the furniture vendor or in the form of a financed transaction acceptable to the Lessee including, but not limited to a lease purchase agreement, provided the outstanding balance can be no more than \$1 at the end of a term not to exceed 120 months. Lessee shall deliver to Lessor within ten days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the "Modular Specifications" provided by the Lessee, Lessor and /or Lessor's architect, shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Lessor shall review the bid package with Lessee and Lessee shall have the right to approve or disapprove the bid package. Lessor shall not be responsible for the cost of such modular furniture in excess of the additional tenant improvement allowance.


INITIAL

Lessor shall provide to Lessee a detailed breakdown of the total cost of the modular furniture in the form of the attached Exhibit "D" prior to the commencement date of the Lease with the right of Lessee to audit the cost for a period of Twenty-four months from the Lease commencement date. Provided Lessee has approved the modular furniture and cost thereof, Lessor shall be responsible for ordering and installing the modular furniture in consultation with Lessee. At the end of the lease term all furniture purchased or leased pursuant to this Paragraph shall become the property of Lessee.

E. Completion

The parties agree that the estimated time for completion of said tenant improvements is 90 days from the date of issuance of the building permit(s). Lessor shall file for a building permit to construct the improvements within ten (10) days of completion of final working drawings and acceptance by Lessee and diligently pursue to obtain the permit as soon as possible.

Additionally, Lessor shall complete the telephone equipment room(s) including permanent power and HVAC in compliance with the plans and specifications referenced above as Exhibit "A" at least thirty (30) days prior to the estimated completion date. During this thirty (30) day period, the Lessor shall be responsible for any telephone/data equipment delivered to the site for programming prior to the completion date. Completion may be delayed by:

- i. Acts or omissions of Lessee or of any employees or agents of Lessee (including change orders in the work), or
- ii. Any act of God which Lessor could not have reasonably foreseen and provided for, or
- iii. Any strikes, boycotts or like obstructive acts by employees or labor organizations which Lessor cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
- iv. Any war or declaration of a state of national emergency, or
- v. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

F. Change Orders

All Lessee requested and approved change orders shall not exceed a total cost of Sixty Thousand Dollars (\$60,000) and Lessor shall not be required to accept any particular change order if the total cost of prior Lessee initiated change orders exceeds Sixty Thousand Dollars (\$60,000). The Chief Administrative Officer, is hereby authorized to approve change orders on behalf of Lessee. Lessee may pay for change order costs in lump sum, or may, at its option, amortize the change order costs over the term of the Lease including interest at the rate of Six percent (6%) per annum, i.e., _____ (\$_____) per month for each ONE THOUSAND DOLLARS (\$1,000.00) of change order costs. Lessor, or Lessor's contractor, shall submit to the Chief Administrative Officer, with each requested change order (a) specific cost of the requested change; (b) the cumulative net total cost of all change orders previously approved; and (c) an estimate of the construction time which will be increased or shortened if the change order is approved. Each change order shall be signed and dated by the Chief Administrative Officer to be considered approved. Lessee shall have the right to audit the cost of the changes for a period of twenty-four months from the date of completion and acceptance by Lessee of the tenant improvements. In the event Lessee requests a rent reduction due to its audit of these costs, Lessee shall provide Lessor with a copy of the audit summary as part of its request.

G. Lessee Remedies

If Lessor fails to obtain the building permit within a reasonable time, taking all factors into consideration, or if tenant improvements have not been completed within sixty (60) days from the estimated time of completion, which period shall be extended for a reasonable time for delays enumerated in subparagraph B above, Lessee may, at its option:

1. Cancel the Lease upon thirty (30) days written notice to Lessor; or



2. Upon thirty (30) days written notice to Lessor, assume the responsibility for providing the tenant improvements itself.

If Lessee elects to provide tenant improvements itself, then:

- a. Lessee, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of constructing the tenant improvements and for any other purposes reasonably related thereto
- b. Rent shall be reduced by Lessee's total expense in constructing the tenant improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of 6%. The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Lessee's total expense shall be fully amortized in equal monthly amounts over 5 years.

26. ASSIGNMENT BY LESSOR

Lessor may assign, transfer, mortgage, hypothecate or encumber Lessor's right, title and interest in and to this Agreement or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Lessor may execute any and all instruments providing for the payment of rent directly to an assignee or transferee, but only if the conditions set forth in the subparagraphs below are met.

Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Lessor's right, title and interest in and to this Agreement or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Paragraph 26 shall be void.

Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements or Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Agreement or any portion thereof, without the prior written consent of the County.

Violation by Lessor of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Agreement, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire term of this agreement, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Agreement or applicable law.

Lessor shall give County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

Lessor shall not furnish any information concerning County or the subject matter of this Agreement (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of the County Counsel) to any person or entity, except with County's prior written consent. Lessor shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Lessor in violation of this paragraph. The provisions of this Paragraph 26 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Paragraph 26 Lessor is referred to, such reference shall be deemed to include Lessor's successors or assigns, and all covenants and agreements by or on behalf of Lessor herein shall bind and apply to Lessor's successors and assigns whether so expressed or not.



27. RENTAL ADJUSTMENT:

A. Adjustment Period

For each successive twelve (12) months of the original term of this Lease, the monthly Base Rent as set forth in Paragraph 3 shall be subject to adjustment. At the beginning of the thirteenth month of the Lease term and every twelve months thereafter, the rent shall be adjusted in accordance with the CPI formula set forth below in Paragraph 27B. The "Base Index" shall be the Index published in the month the lease commences.

B. Adjustment Formula

The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), hereinafter referred to as "Index".

The rental adjustment for the Base Rent shall be calculated by multiplying the Lessor's base rent by a fraction, the numerator being the new Index which is the Index published in the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index which is the Index published for the month the Lease commences. The rental adjustment formula shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times (\$17,324.00) = \text{New Monthly Rent}$$

If the Index is changed so that the Base year of the Index differs from that used as of the commencement date of the lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute Index (if the original Index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to Arbitration in accordance with the provisions of Code of Civil Procedure Section 1280 et seq as they now exist or may later be amended for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

C. General Provisions:

1. In no event shall the rent adjustment based upon the CPI formula set forth in Paragraph 27B result in an annual increase greater than four percent (4%) per year of the monthly base year office space rent of \$17,324.00 (i.e. not greater than \$692.96 per month, per annual adjustment).
2. In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Lease.

28. CONSIDERATION OF GAIN PROGRAM PARTICIPANTS:

Should Lessor require additional or replacement personnel after the effective date of this Agreement, Lessor shall give consideration for any such employment, openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet Lessor's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Lessor.

29. SOLICITATION OF CONSIDERATION:

It is improper for any County Officer, employee or agent to solicit consideration, in any form, from a Lessor with the implication, suggestion or statement that the Lessor's provision of the consideration may secure more favorable treatment for the Lessor in the award of the lease or that the Lessor's failure to provide such consideration may negatively affect the County's consideration of the Lessor's submission. A Lessor shall not offer or give, either; directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the lease.

Lessor shall immediately report any attempt by a County office, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Lessor's submission being eliminated from consideration.

30. LIMITATION OF AUTHORITY:

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. **County shall not reimburse Lessor for any expenses which exceed this ceiling.**

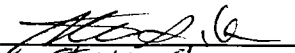
31. IRREVOCABLE OFFER:

In consideration for the time and expense that County will invest including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the County Real Estate Management Commission in reliance on Lessor's covenant to lease to County under the terms of this lease offer, the Lessor irrevocably promises to keep this offer open until March 31, 2005.


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IN WITNESS WHEREOF, the Lessor has executed this Lease or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Lease to be executed on its behalf by the Mayor of said Board and attested by the Clerk thereof the day, month, and year first above written.

CENTRAL PLAZA, LLC

By 
Name: Steve Cha
Title: President

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

COUNTY OF LOS ANGELES

By _____
Deputy

By _____

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

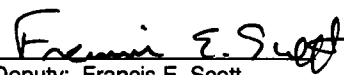
By 
Deputy: Francis E. Scott

EXHIBIT A - PLANS AND SPECIFICATIONS

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive representation of a name.

EXHIBIT B - MEMORANDUM OF COMMENCEMENT DATE

This Agreement is dated this ____ day of ____, 2005, for reference purposes only, by and between CENTRAL PLAZA, LLC as Lessor and County of Los Angeles as Lessee.

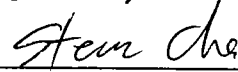
1. THE PARTIES HERETO HAVE ENTERED INTO A LEASE dated as of ____ (the "Lease") for the leasing by Lessor to Lessee of the buildings located at 3470 Wilshire Blvd., Los Angeles ("the Premises"). Lessor and Lessee hereby confirm the following:
 1. That all construction by Lessor has been completed, if any, required to be done pursuant to the terms of the Lease in all respects subject to any remaining punchlist items;
 2. That Lessee has accepted possession of the Premises and now occupies the same; and
 3. That the term of the Lease commenced _____.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

CENTRAL PLAZA, LLC

By 

By 

Lessee:

COUNTY OF LOS ANGELES

By _____
Chuck W. West
Director of Real Estate

EXHIBIT C - CLEANING AND MAINTENANCE SCHEDULE

2. DAILY (Monday Through Friday)

1. Carpets vacuumed
2. Composition floors dust-mopped
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desks not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Graffiti expunged as needed within two (2) working days after notice by Lessee.
11. Floors washed as needed
12. Kitchen/Lunchroom supplies replenished including paper supplies and soap.

3. WEEKLY

1. Low-reach areas, chair rungs, baseboards and insides of door-jambs dusted.
2. Window sills, ledges and wood paneling and molding dusted

4. MONTHLY

1. Floors washed and waxed in uncarpeted office area.
2. High-reach areas, door frames and tops of partitions dusted.
3. Upholstered furniture vacuumed, plastic and leather furniture wiped.
4. Picture moldings and frames dusted.
5. Wall vents and ceiling vents vacuumed.

5. QUARTERLY

1. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
2. Wood furniture polished.
3. Draperies or mini blinds cleaned as required, but not less frequently than Quarterly.
4. Carpet professionally spot cleaned as required to remove stains.

6. ANNUALLY

1. Windows washed as required inside and outside but not less frequently than twice annually.
2. All painted wall and door surfaces washed and stains removed.
3. All walls treated with vinyl covering washed and stains removed.
4. HVAC ducts and vents cleaned.
5. Carpets cleaned.

7. AS NEEDED

1. Premises should be maintained in good repair, clean and safe condition at all times. The sidewalks, driveways, parking areas and all means of access and egress for the demised.
2. All lawns, shrubbery and foliage on the grounds of the demised Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.



EXHIBIT D - MEMORANDUM OF TENANT IMPROVEMENT COST

This Agreement is dated this _____ day of _____, 2005, for reference purposes only, by and between Lessor, CENTRAL PLAZA, LLC, and Lessee, County of Los Angeles.

8. THE PARTIES HERETO HAVE ENTERED INTO A LEASE DATED as _____ (the "Lease") for the leasing by Lessor to Lessee of the building located at 3470 Wilshire Blvd., Los Angeles ("the Premises"). Lessor and Lessee hereby confirm the following:

1. The final total cost of the tenant improvements is (\$_____).
This is comprised of:

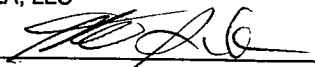
\$228,000.00	Tenant Improvement Allowance	Actual Cost	
\$684,000.00	Additional Tenant Improvement Allowance	\$0.00	
<u>\$60,000.00</u>	Change Order Allowance	\$0.00	
\$972,000.00		\$0.00	

2. The final total cost of the modular furniture, if applicable, (which is included i Paragraph 2-A is _____ (\$_____).

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

CENTRAL PLAZA, LLC

By _____ 

By _____ 

Lessee:

COUNTY OF LOS ANGELES

By _____
Chuck W. West
Director of Real Estate

EXHIBIT E - COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Lessors shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name

Address

Contact Name

Telephone No.

Total # of Employees

Business Structure*

*Corporation, Partnership, etc.

9. MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS PARTNER	ASSOCIATE PARTNERS	MANAGER	STAFF	TOTAL
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
TOTAL					
Women*					

*Should be included in counts above and reported separately**10. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM**

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
TOTAL		
Women*		

*Should be included in counts above and reported separately**11. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM**

Is your firm currently certified as a minority owned business firm by the:

yes no

State of California?

City of Los Angeles?

Federal Government?

12. WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

Initial

Initial here if applicable

SIGNED:

TITLE:

DATE:

EXHIBIT F - CONSTRUCTION SCHEDULE

A handwritten signature in black ink, appearing to be 'M' or 'JH', located in the bottom right corner of the page.

EXHIBIT G - MEMORANDUM OF LEASE

RECORDING REQUESTED:
THE COUNTY OF LOS ANGELES

WHEN RECORDED MAIL TO:

Chief Administrative Office
Leasing and Space Management
222 South Hill Street, 4th floor
Los Angeles, CA 90012

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code section 11922.

MEMORANDUM OF LEASE

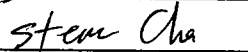
This Memorandum of Lease ("Memorandum") is made and entered into by and between CENTRAL PLAZA, LLC (the "Lessor"), and the County of Los Angeles, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Lessee") who agree as follows:

Lessor and Lessee have entered into that certain Lease and Agreement dated as of _____, 2005, (the "Lease"). Pursuant to the Lease, the Lessor has leased to the Lessee real property located at 3470 Wilshire Blvd. 11th Floor, Los Angeles, in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, commencing on _____, 2005, and ending on a date 10 years after the rent commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease. Lessor shall be responsible for providing full services during the term of the Lease, subject to the terms and conditions of the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Lessor:
CENTRAL PLAZA, LLC

By _____ 

By _____ 

Lessee:

COUNTY OF LOS ANGELES

By _____
Chuck W. West
Director of Real Estate

EXHIBIT "H"

WORK LETTER

This WORK LETTER ("Work Letter") pertains to the construction of tenant improvements as provided in Lease No. _____, between CENTRAL PLAZA, LLC ("Lessor") and the COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee"), in connection with the Premises located at 3470 WILSHIRE BOULEVARD, LOS ANGELES, CA

1. The purpose of this Work Letter is to set forth how the Tenant Improvements (as defined in Section 8 below) in the Premises are to be constructed, who will undertake the construction of the Tenant Improvements, who will pay for the construction of the Tenant Improvements, and the time schedule for completion of the construction of the Tenant Improvements. The provisions of the Lease, except where clearly inconsistent or inapplicable to this Work Letter as it relates to Tenant Improvements, are incorporated into this Work Letter.

2. Preparation of Plans; Construction Schedule and Procedures. Delivery of all plans and drawings referred to in this Section 2 shall be by messenger service or personal hand delivery, unless otherwise agreed by Lessor and Lessee. Lessor shall arrange for the construction of the Tenant Improvements in accordance with the following schedule:

(a) Selection of Architect and Engineer. Within three (3) days after the lease is fully executed, Lessor shall solicit at least three (3) proposals from qualified licensed architects ("Architect") and engineers ("Engineer,") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings. The Architect and the Engineer shall be selected by Lessor subject to Lessee's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Lessor has submitted the name of the Architect and the Engineer to Lessee along with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Lessee and written consent has been delivered to and received by Lessor.

(b) Base Building Plans. Lessor has provided instructions and building plans and specifications representing the "as built" premises ("Base Building Plans") to Lessee sufficient to allow Lessee to complete a Space Plan and specification (as defined in Subsection (c) below). The Base Building shall include a minimum of 4.5 watts of electrical power per rentable square foot. In the event that Lessee incurs increased costs because of incomplete plans or insufficient electrical power, such increased costs will not be funded using the tenant improvement allowances and/or reimbursed to Lessee by Lessor, and any delay caused thereby shall be deemed to constitute a Lessor Delay.

(c) Preparation and Approval of Space Plan. Within ten (10) days of the date the Lease is approved by the Board of Supervisors, Lessee shall submit to Lessor the Space Plan for Lessor's review and approval. The Space Plan and specifications for the Premises shall delineate all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room ("Space Plan").

Within two (2) days after Lessor receives the Space Plan, Lessor shall either approve or disapprove the Space Plan for reasonable and material reasons (which shall be limited to the following: (i) adverse effect on the Building Structure; (ii) possible damage to the Building Systems; (iii) non-compliance with applicable codes; (iv) effect on the exterior appearance of the Building or (v) unreasonable interference with the normal and customary business operations of other tenants in the Building (each, a "Design Problem") and return the Space Plan to Lessee. In such event, Lessor shall require, and Lessee shall make the minimum changes necessary in order to correct the Design Problems and shall return the Space Plan to Lessor within five (5) days, which Lessor shall approve or disapprove within two (2) days after Lessor receives the revised Space Plan. This procedure shall be repeated until the Space Plan is finally approved by Lessor and written approval has been delivered to and received by Lessee. The Space Plan may be submitted by Lessee in one or more stages and at one or more times, and the time periods for Lessor's approval shall apply with respect to each such portion submitted.


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(d) Preparation and Approval of Working Drawings. Within ten (10) days of the date the Space Plan is finally approved by Lessor, the "Plan Approval Date", or the date the Lease is approved by the Board of Supervisors, whichever date later occurs, Lessor shall commence with the preparation of Working Drawings by the Architect, the "Working Drawings", which shall be compatible with the design, construction and equipment of the Building, shall comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined in Subsection (e) below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. Such Working Drawings must incorporate such items as have been specified by Lessor as required for use in the Building, as set forth in Schedule 2 attached to this Work Letter. The Working Drawings may be submitted in one or more stages and at one or more times.

Lessor shall provide Lessee the Working Drawings, or such portion as has from time to time been submitted, for review. Lessee shall complete the review of the Working Drawings within seven (7) days. However, Lessor shall be solely responsible to approve the Working Drawings ensuring that such drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

(e) Preparation and Approval of Engineering Drawings. Lessor shall cause the Architect, to coordinate all engineering drawings prepared by the designated Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times, for Lessee's review.

(f) Integration of Working Drawings and Engineering Drawings into Final Plans. After Lessee has reviewed and Lessor has approved the Engineering Drawings, Lessor shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Lessee.

(g) Schedule. Within ten (10) days of the Plan Approval Date, Lessor shall submit a detailed construction schedule, subject to approval by Lessee which approval shall not be withheld, outlining date specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings including respective engineered drawings; submission of plans to local jurisdiction for review; issuance of building permit; submission of plans to contractors for bidding; award of construction contract; construction commencement; construction completion; projected move in date; etc. As the project continues, Lessor shall amend the schedule to reflect any changes to the projected dates.

(h) Budget. As provided in Section 9, Lessor shall prepare the Preliminary Construction Budget for Lessee's review within thirty (30) days of the Plan Approval Date in substantially the form attached as Schedule 3 (or in other form in compliance with Construction Specifications Institute (CSI)), to be updated weekly until the completion of the tenant improvements and acceptance thereof by Lessee.

3. Commencement Date. The "Commencement Date" shall have the definition set forth in Paragraph 2 of the Lease.

(a) Rental Payment Effective Date. Notwithstanding the actual Commencement Date, the payment of rent may be delayed or accelerated, as the case may be, by one (1) day for each day of delay in the design of or Lessee's move-in into the Premises that is caused by any Force Majeure Delay or Lessor Delay or Lessee Delay. No Lessor Delay, Force Majeure Delay or Lessee Delay shall be deemed to have occurred unless and until the party claiming such delay has provided written notice to the other party specifying the action or inaction that such notifying party contends constitutes a Lessor Delay, Force Majeure Delay or Lessee Delay, as applicable. If such actions or inaction is not cured, or disputed in writing by the other party, within five (5) business days after receipt of such notice, then a Lessor Delay, Force Majeure Delay or Lessee Delay, as set forth in such notice, shall be deemed to have occurred commencing as of the date such notice is received and continuing for the number of days the design of the Tenant Improvements and/or Lessee's move-in into the Premises was in fact delayed as a direct result of such action or inaction.



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4. Delay.

(a) Lessee Delay. The term "Lessee Delay" as used in the Lease or this Work Letter shall mean any delay that Lessor may encounter in the performance of Lessor's obligations under this Work Letter because of any act or omission of any nature by Lessee or its agents or contractors, including any (1) delay attributable to changes in or additions to the Final Plans (as defined in Section 2(f) above or to the Tenant Improvements requested by Lessee; (2) delay attributable to the postponement of any Tenant Improvements at the request of Lessee; (3) delay by Lessee in the submission of information or the giving of authorizations or approvals within the time limits set forth in this Work Letter; and (4) delay attributable to the failure of Lessee to pay, when due, any amounts required to be paid by Lessee pursuant to the Lease or this exhibit. In addition, since many projects may have change orders, up to ten (10) business days in total of delays caused by Lessee which result from change orders initiated by Lessee shall constitute a grace period, the "Grace Period", and shall not constitute a Lessee Delay.

(b) Force Majeure Delay. The term "Force Majeure Delay" as used in the Lease or this Work Letter shall mean any delay incurred by Lessee in the design of its Tenant Improvements or its move-in into the Premises attributable to any: (1) actual delay or failure to perform attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employee of either party hereto), civil disturbance, further order claiming jurisdiction, act of public enemy, war, riot, sabotage, blockade, embargo; (2) delay due to changes in any applicable laws (including, without limitation, the ADA), or the interpretation thereof; or (3) delay attributable to lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other similar industry wide or Building-wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of Lessor to timely pay contractor).

(c) Lessor Delay. The term "Lessor Delay" as used in the Lease or this Work Letter shall mean any delay in the design of the Tenant Improvements or the Substantial completion of the Premises which is due to any act or omission of Lessor (wrongful, negligent or otherwise), its agents or contractors (including acts or omissions while acting as agent or contractor for Lessee). The term Lessor Delay shall include, but shall not be limited to any: (1) delay in the giving of authorizations or approvals by Lessor; (2) delay attributable to the acts or failures to act, whether willful, negligent or otherwise, of Lessor, its agents or contractors; (3) delay attributable to the interference of Lessor, its agents or contractors with the design of the Tenant Improvements or the failure or refusal of any such party to permit Lessee, its agents or contractors, access to and priority use of the Building or any Building facilities or services, including hoists, freight elevators, passenger elevators, and loading docks, which access and use are required for the orderly and continuous performance of the work necessary for Lessee to complete its move-in into the Premises; (4) Lessor's failure to complete all telecommunication rooms (including painting, floor covering, lighting, conduit access, permanent power and HVAC systems, if such work is required pursuant to the Lease), serving the Premises at least thirty (30) days prior to the Commencement Date; (5) delay attributable to Lessor giving Lessee incorrect or incomplete Building Requirements or Base Building Plans, or revisions made to such Building Requirements or Base Building Plans subsequent to the delivery of such items to Lessee (collectively, "Incomplete Plans") in either case, in addition to such delay being deemed a Lessor Delay, Lessor shall increase the Tenant Improvement Allowance by an amount sufficient to reimburse Lessee for the increased costs incurred by Lessee as a result thereof; (6) delay caused by the failure of the Building to comply with the ADA or any other government regulations; (in which case, in addition to such delay being deemed a Lessor Delay, the required work shall not be considered as part of the Tenant Improvement Allowance and all required work shall be completed at Lessor's sole cost an expense).; (7) delay attributable to Lessor's failure to allow Lessee sufficient access to the Building and/or the Premises during the Construction Period to move into the Premises over one (1) weekend prior to the commencement of rent; (8) delay by Lessor in administering and paying when due the Tenant Improvement Costs/Allowances.

Furthermore, if during the course of construction, building defects are discovered that would otherwise not have been discovered by a reasonably diligent inspection of the Premises at the time construction commenced, and a change to the construction contract is generated as a result thereof, any delay in the completion of the project as a result thereof shall not be considered a Lessor delay, however, the ensuing delay shall not be credited towards the Grace Period provided to Lessee.



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Exhibit H - Workletter

5. Substantially Complete. The term "Substantially Complete" or "Substantial Completion" as used in this Work Letter shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the Building Systems are operational to the extent necessary to service the Premises; (2) Lessor has sufficiently completed all the work required to be performed by Lessor in accordance with this Work Letter including the installation of modular furniture systems, if so required by the Lease, (except minor punch list items which Lessor shall thereafter promptly complete) such that Lessee can conduct normal business operations from the Premises; (3) Lessor has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent (except to the extent delayed by any Lessee Delay); (4) Lessee has been provided with the number of parking privileges and spaces to which it is entitled under the Lease; (5) Lessee has been delivered, at least 30 days prior to the Commencement Date, complete and uninterrupted access to the Premises (and other required portions of the Building and the Site including the completion of all telecommunications rooms power and HVAC that serve the telecommunications room) sufficient to allow Lessee to install its freestanding work stations, (unless such installation is part of the modular workstations to be installed by Lessor pursuant to the Lease) fixtures, furniture, equipment, and telecommunication and computer cabling systems (unless installation of telecommunication cabling is Lessor's responsibility pursuant to the Lease) and to move into the Premises over one (1) weekend and, (6) In the event lessor is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

In the event that the Lessee is unable to use the freight elevators, for any reason, Lessor shall provide Lessee with priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Lessee in the installation of Lessee's fixtures, furniture and equipment. In no event shall Lessee's remedies or entitlements for the occurrence of a Lessor Delay be abated, deferred, diminished or rendered inoperative because of a prior, concurrent, or subsequent delay resulting from any action or inaction of Lessee.

6. Representatives. Lessee has designated Kevin Webb as its sole representative with respect to the matters set forth in the Work Letter, who until further notice to Lessor, shall have the full authority and responsibility to act on behalf of Lessee as required in this Work Letter. Lessor has designated Paul Kim, whose mailing address for purposes of any notices to be given regarding matters pertaining to this Work Letter only is 3440 Wilshire Boulevard, Suite 200, Los Angeles, CA 90010, as its sole representative with respect to the matters set forth in the Work Letter, who until further notice to Lessee, shall have the full authority and responsibility to act on behalf of Lessor as required in this Work Letter.

7. Contractor and Review of Plans.

(a) Selection of Contractor. Lessor's contractor shall be the contractor selected pursuant to a procedure whereby the Final Plans and a construction contract approved by Lessee are submitted to contractors, selected by Lessor and approved by Lessee, sufficient in number so that a minimum of three (3) bids are received and who are requested to each submit a sealed fixed price contract bid price (on such contract form as Lessor shall designate) to construct the Tenant Improvements designated on the Final Plans, to Lessor and Lessee, who shall jointly open and review the bids. Lessor and Lessee, after adjustments for the inconsistent assumptions to reflect an "apples to apples" comparison, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract with Lessor consistent with the terms of the bid to construct the Tenant Improvements ("Construction Contract"). The Construction Contract shall not, unless Lessee otherwise directs, require the Contractor to post a completion bond or contain any provision penalizing the Contractor for not completing the Tenant Improvements within a specific period of time.

(b) Actual Review Costs. Lessor shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. Furthermore, Lessee shall not pay to Lessor any fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements unless Lessor, as part of its original offer to Lease, has revealed the fees attributable to project management.

(c) Meetings: Upon selection of Contractor, Lessor shall immediately identify a time and date for the purposes of holding weekly construction meetings that is mutually acceptable to all parties. During the course of construction, meeting shall be held at least once per week, unless Lessee directs otherwise. A kickoff construction meeting shall be held within five (5) days of the date the contractor is selected.


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8. Tenant Improvements. The term "Tenant Improvements" shall mean all improvements shown in the Final Plans as integrated by the Architect, and, to the extent specified in the Final Plans, which shall be funded using the tenant improvement allowances including all signage, modular workstations, built-ins, related cabinets and reception desks, to the extent specified in the millwork or comparable contracts, and all carpets and floor coverings, but, except as provided above, Tenant Improvements shall not include any personal property of Lessee.

Tenant improvements are expected to include:

1. Electrical conduit and wire infrastructure from the 480/277 volts and the 208/120 volts panels for all convenience and special outlets in the modular furniture and hard offices.
2. All conduit and outlet boxes required for the Lessee's Low voltage and Telecommunication/Data systems wiring.
3. All line voltage wiring to Lessee's furnished equipment in the MCR and the IDF rooms in each floor as required by Lessee.
4. HVAC modifications only as required to accommodate floor to ceiling partitions and a dedicated HVAC unit providing 24 hour air to the MCR.
5. Built-in partitions and rooms.
6. Floor coverings less a Building Standard credit of \$1.17 per rentable square foot.
7. Millwork.
8. Paint & wall coverings, less the Building Standard painting allowance.
9. Signage not required by Code.
10. Interior doors and associated hardware including any card readers.
11. Intrusion detection and alarm system at all entry levels; and,
12. Check point entry system including power supply at parking entrance, all stairwells on each floor, all elevators, and at least two external entrances;
13. Any lighting upgrades from prismatic to parabolic fixtures, the difference in cost per fixture, excluding installation and wiring which are Lessor shell and core cost.

The County, as Lessee, unless otherwise specified to be Lessor's responsibility, will supply the following:

- All telecommunication and data design, wiring, equipment and installation.
- Panic Alarm System design, wiring, equipment and installation.
- CCTV cameras only (Installation by Lessor).
- Checkpoint entry programming, card readers and final hookup at system end (Installation by Lessor).
- All computer and computer related equipment and installation.
- All mail room furnishings and equipment.
- Security equipment and installation except as noted above.
- All electronic units providing: (Please specify, if any required)

9. Tenant Improvement Allowance.

Base Tenant Improvement Allowance:	\$228,000
Additional Tenant Improvement Allowance:	\$684,000
Change Orders:	\$ 60,000
Total Allowances:	\$972,000

Any work, including construction, that Lessor must undertake to (1) obtain the necessary jurisdictional approvals for a Certificate of Occupancy including amounts required to be expended to cause the Premises to comply with the access requirements of the ADA, and; (2) make existing building systems pursuant to Schedule 1, attached hereto, including but not limited to electrical service and HVAC equipment fully operational for the proposed office occupancy, shall be at Lessor's sole cost and expense.

Furthermore, the Tenant Improvement Allowance shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease including all expenses associated with curing any such "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere.


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Not more than thirty (30) days from the date of Lessor's receipt of Lessee's Space Plan, Lessor shall submit to Lessee a detailed budget, the "Preliminary Construction Budget". Said budget shall be revised within ten (10) days of the date the contractor is selected, the "Final Construction Budget". Lessee shall have five (5) days from the date of Lessee's receipt of the "Final Construction Budget" to approve or disapprove the Final Construction Budget. Construction shall not begin until such time as Lessee indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from the Lessee. In the event Lessee disapproves the Final Construction Budget due to matters related to cost, provided the Final Construction Budget is ten (10) percent or more higher in cost than the Preliminary Construction Budget, then any delay caused by the necessity to rebid the tenant improvements or redesign the Premises shall not be considered a Lessee Delay.

10. Life-Fire Safety Codes/Disabled Access Codes/Earthquake Safety Codes. In the event that, because the Premises and/or the Building as initially constructed do not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, Lessee incurs increased design or construction costs that it would not have incurred had the Premises and/or the Building already been in compliance with the applicable life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, applicable to new construction, then such costs shall be reimbursed by Lessor to Lessee within ten (10) days after receipt by Lessor from Lessee of an invoice document evidencing such increased costs or such costs shall not included in the calculation of tenant improvements attributable to Lessee's allowances and Lessee shall have no financial responsibility for such costs. Any delay in the design or construction of the Tenant Improvements or Lessee's move-in into the Premises because of the non-compliance of the Building and/or Premises with the applicable life-fire safety codes and disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes shall constitute a Lessor Delay.


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